

Company Registration No. 10934308 (England and Wales)

SIMEC HOLDINGS (MINING) UK LTD
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 NOVEMBER 2019
PAGES FOR FILING WITH REGISTRAR



SIMEC HOLDINGS (MINING) UK LTD

STATEMENT OF FINANCIAL POSITION

AS AT 30 NOVEMBER 2019

	Notes	2019 AU \$	AU \$	2018 AU \$	AU \$
Non-current assets					
Investments	2		100		1,200,100
Current assets					
Trade and other receivables	4	1,200,001		1	
Current liabilities	5	(1,237,621)		(21,435)	
Net current liabilities			(37,620)		(21,434)
Total assets less current liabilities			(37,520)		1,178,666
Non-current liabilities	6		-		(1,247,140)
Net liabilities			(37,520)		(68,474)
Equity					
Called up share capital	7		1		1
Retained earnings			(37,521)		(68,475)
Total equity			(37,520)		(68,474)

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 16.07.2020 and are signed on its behalf by:



P K Gupta
Director

Company Registration No. 10934308

SIMEC HOLDINGS (MINING) UK LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 NOVEMBER 2019

	Notes	Share capital AU \$	Retained earnings AU \$	Total AU \$
Balance at 25 August 2017		-	-	-
Period ended 31 August 2018:				
Loss and total comprehensive income for the period		-	(68,475)	(68,475)
Issue of share capital	7	1	-	1
Balance at 31 August 2018		1	(68,475)	(68,474)
Period ended 30 November 2019:				
Profit and total comprehensive income for the period		-	30,954	30,954
Balance at 30 November 2019		1	(37,521)	(37,520)

SIMEC HOLDINGS (MINING) UK LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 NOVEMBER 2019

1 Accounting policies

Company information

Simec Holdings (Mining) UK Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 7 Hertford Street, London, W1J 7RH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in Australian dollars, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest AU \$.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

The immediate parent company is SIMEC (Australia) UK Limited, a company registered in UK. At 30 November 2019, the ultimate holding company was SIMEC Group Limited, a company registered in Hong Kong.

The largest and smallest groups in which the results of the company are consolidated are headed by SIMEC Group Limited. The financial statements are publicly available by writing to the Company Secretary, Suite 2202-2204, Gloucester Tower, The Landmark Building, 11 Pedder Street, Hong Kong.

SIMEC HOLDINGS (MINING) UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 2019

1 Accounting policies

(Continued)

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future on the understanding that the company has the ongoing support of the group entities which have lent money to the company and its bankers who are providing facilities to the company. The company is reliant on its parent company. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The company made profits of AU \$30,954 (2018: losses of AU \$68,475) during the period. At the period end the company had net liabilities of AU \$37,520 (2018: AU \$68,474). The company is reliant on its parent company, SIMEC Group Ltd which has confirmed that it will provide the necessary on-going financial support until the company becomes profitable. Thus, the directors have adopted the going concern basis of accounting in preparing the financial statements.

1.3 Reporting period

The comparatives are for the period 25th August 2017 to 31st August 2018.

1.4 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

SIMEC HOLDINGS (MINING) UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 2019

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2 Fixed asset investments

	2019 AU \$	2018 AU \$
Shares in group undertakings and participating interests	100	1,200,100

SIMEC HOLDINGS (MINING) UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 NOVEMBER 2019

2 Fixed asset investments (Continued)

Movements in non-current investments

	Shares in group undertakings AU \$
Cost or valuation	
At 1 September 2018	1,200,100
Additions	5,506
Disposals	(1,205,506)
	<hr/>
At 30 November 2019	100
	<hr/>
Carrying amount	
At 30 November 2019	100
	<hr/>
At 31 August 2018	1,200,100
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During the period, the investment in a subsidiary was transferred at book value to a related entity.

3 Subsidiaries

Details of the company's subsidiaries at 30 November 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held DirectIndirect
SIMEC (Australia) Mining Pty Ltd	Australia	Holding company	Ordinary	100 -

4 Trade and other receivables

	2019 AU \$	2018 AU \$
Amounts falling due within one year:		
Amounts owed by group undertakings	1	1
Other receivables	1,200,000	-
	<hr/>	<hr/>
	1,200,001	1
	<hr/>	<hr/>

SIMEC HOLDINGS (MINING) UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 2019

5 Current liabilities

	2019 AU \$	2018 AU \$
Amounts owed to group undertakings	1,203,333	-
Other payables	34,288	21,435
	<u>1,237,621</u>	<u>21,435</u>

6 Non-current liabilities

	2019 AU \$	2018 AU \$
Other payables	-	1,247,140
	<u>-</u>	<u>1,247,140</u>
Creditors which fall due after five years are as follows:	2019 AU \$	2018 AU \$
Payable other than by instalments	-	(1,247,140)
	<u>-</u>	<u>(1,247,140)</u>

7 Called up share capital

	2019 AU \$	2018 AU \$
Ordinary share capital Issued and fully paid 1 Ordinary shares of AU \$1 each	1	1
	<u>1</u>	<u>1</u>

8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Emphasis of matter

We draw attention to note 9 on the financial statements which describes the company's assessment of the COVID-19 impact on its ability to continue as a going concern. Our opinion is not modified in this respect.

The senior statutory auditor was Milankumar H Patel.

The auditor was King & King.

SIMEC HOLDINGS (MINING) UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 2019

9 Events after the reporting date

The company, with its parent and fellow subsidiary, have entered into a discussion to restructure their loans. However, no formal agreement has been reached yet. The impact of such loan restructuring cannot be quantified yet.

Impact of COVID-19

On 11 March 2020, the World Health Organization declared the Corona-Virus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries now affected. Many governments are taking increasingly stringent steps to help contain or delay the spread of the virus. Currently, there is significant increase in economic uncertainty which is, for example, evidenced by more volatile asset prices and currency exchange rates.

For the company's 30 November 2019 financial statements, the COVID-19 outbreak and the related impacts are considered non-adjusting events. Consequently, there is no impact on the recognition and measurement of assets and liabilities. Due to the uncertainty of the outcome of the current events, the company cannot reasonably estimate the impact these events will have on the company's financial position, results of operations or cash flows in the future.

10 Related party transactions

During the period, professional costs of AU \$2,173 (2018: AU \$10,655) were paid to companies controlled by a close family member of P K Gupta. At the period end, the balances owed to these companies were AU \$23,508 (2018: AU \$10,655).

During the period, an investment was transferred for AU \$1.2m (2018: AU \$nil) to a company controlled by a close family member of P K Gupta. At the period end, AU \$1.2m (2018: AU \$nil) was owing from this company. During the period, interest of AU \$77,551 (2018: AU \$nil) was receivable on this balance, and subsequently waived in the same period.

The above balances are repayable on demand, unsecured, interest free and no fixed terms of repayments have been agreed.

The company has taken advantage of the exemption not to disclose balances or transactions with wholly owned members of the SIMEC Group Limited, a company registered in Hong Kong.

11 Parent company

The immediate parent company is SIMEC (Australia) UK Limited, a company registered in UK. At 30 November 2019, the ultimate holding company was SIMEC Group Limited, a company registered in Hong Kong.

The largest and smallest groups in which the results of the company are consolidated are headed by SIMEC Group Limited. The financial statements are publicly available by writing to the Company Secretary, Suite 2202-2204, Gloucester Tower, The Landmark Building, 11 Pedder Street, Hong Kong.

The ultimate beneficial owner is P K Gupta.